

# Senate File 315 - Introduced

SENATE FILE 315

BY SMITH

## A BILL FOR

1 An Act relating to the fee for new registration for a vehicle  
2 purchased within sixty days of the sale of another vehicle  
3 by the same owner.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph  
2 a, subparagraph (2), subparagraph division (a), unnumbered  
3 paragraph 1, Code 2015, is amended to read as follows:

4 In transactions, except those subject to subparagraph  
5 division (b) or (0c), in which a vehicle subject to  
6 registration is traded toward the purchase price of another  
7 vehicle subject to registration, the purchase price is only  
8 that portion of the purchase price which is valued in money,  
9 whether received in money or not, if the following conditions  
10 are met:

11 Sec. 2. Section 321.105A, subsection 2, paragraph a,  
12 subparagraph (2), Code 2015, is amended by adding the following  
13 new subparagraph division:

14 NEW SUBPARAGRAPH DIVISION. (0c) In cases involving two  
15 separate transactions in which an owner who is not a dealer  
16 sells a vehicle subject to registration to a purchaser, whether  
17 in this state or out-of-state, and, within sixty days before  
18 or after the date of the sale, purchases another vehicle  
19 subject to registration, the amount of the sales price of the  
20 vehicle sold by the owner shall be considered trade-in value  
21 and exempted from the purchase price of the vehicle purchased  
22 by the owner. To qualify for the exemption, the owner shall do  
23 one of the following, as applicable:

24 (i) If the qualifying sale of a vehicle occurs prior to the  
25 owner making application for new registration and certificate  
26 of title for the newly purchased vehicle, the exemption shall  
27 be included in the calculation of the fee for new registration  
28 on the newly purchased vehicle. At the time the owner applies  
29 for new registration and certificate of title, the owner  
30 shall provide to the county treasurer payment of the fee for  
31 new registration and proof of the transaction involving the  
32 qualifying sale of a vehicle and the sales price of the vehicle  
33 sold.

34 (ii) If the qualifying sale of a vehicle occurs after the  
35 owner applies for new registration and certificate of title

1 and pays the fee for new registration for the newly purchased  
 2 vehicle, the owner may apply to the department for a refund of  
 3 the amount of the fee for new registration already paid which  
 4 is in excess of the amount owed after the exemption provided  
 5 for in this subparagraph division (0c) is applied.

6 Sec. 3. Section 321.105A, subsection 6, paragraph a, Code  
 7 2015, is amended by adding the following new subparagraph:

8 NEW SUBPARAGRAPH. (4) If the amount of the fee for  
 9 new registration paid by the owner of a vehicle subject to  
 10 registration was computed upon the full purchase price and  
 11 the owner subsequently qualifies for an exemption pursuant to  
 12 subsection 2, paragraph "a", subparagraph (2), subparagraph  
 13 division (0c), the owner is entitled to a refund of the amount  
 14 paid in excess of the amount owed after the exemption is  
 15 applied. Notwithstanding subsection 5 or any other provision  
 16 of law to the contrary, to obtain a refund, the owner shall  
 17 apply to the county treasurer on a form provided by the  
 18 department and provide proof that the fee for new registration  
 19 for the newly purchased vehicle was paid and proof of the  
 20 qualifying sale of another vehicle and the sales price of  
 21 the vehicle sold. No later than sixty days after the date  
 22 the owner applies to the county treasurer, the department  
 23 shall issue a refund to the owner or notify the owner that  
 24 the application for a refund is denied and the reason for the  
 25 denial.

#### 26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with  
 28 the explanation's substance by the members of the general assembly.

29 Under current law, when the new owner of a vehicle subject to  
 30 registration applies for registration and certificate of title,  
 31 a fee for new registration is due in the amount of 5 percent of  
 32 the purchase price of the vehicle. In transactions in which a  
 33 vehicle is traded toward the purchase price of another vehicle,  
 34 the value of the trade-in is excluded from the purchase price  
 35 of the vehicle when calculating the fee for new registration.

1     This bill provides for a similar calculation of the purchase  
2 price in cases where a person sells one vehicle and purchases  
3 another vehicle in separate transactions. Under the bill, if a  
4 person sells a vehicle subject to registration to an in-state  
5 or out-of-state purchaser and purchases another vehicle within  
6 60 days before or after the sale, the amount of the sales  
7 price of the vehicle sold is treated as trade-in value and is  
8 exempt from the purchase price used to calculate the fee for  
9 new registration for the vehicle purchased. If the qualifying  
10 sale of a vehicle occurs before the fee for new registration  
11 is paid for the newly purchased vehicle, the exemption shall  
12 be included in the calculation of the fee for new registration  
13 which is remitted to the county treasurer by the owner, or, if  
14 the vehicle is purchased from a dealer, by the dealer on the  
15 owner's behalf, along with the application for registration  
16 and certificate of title. The owner must provide proof of the  
17 qualifying vehicle sale and the sales price of the vehicle  
18 sold. If the qualifying sale occurs after the fee for new  
19 registration is paid for the newly purchased vehicle, the owner  
20 may apply to the county treasurer for a refund of the amount  
21 of the fee paid in excess of the amount owed. The application  
22 for a refund must be accompanied by proof that the fee for new  
23 registration for the newly purchased vehicle has been paid and  
24 proof of the qualifying sale of another vehicle and the sales  
25 price of that vehicle. The department of revenue has 60 days  
26 in which to issue a refund of the excess payment or notify  
27 the owner that the application for a refund is denied and the  
28 reason for the denial.

29     In accordance with current law relating to the calculation  
30 of the purchase price in transactions involving traded  
31 vehicles, the name or names on the title and registration of  
32 the vehicle purchased must be the same as the name or names on  
33 the title and registration of the vehicle sold, with certain  
34 exceptions for transactions involving spousal ownership and  
35 transactions involving family members, business ownership, or

S.F. 315

1 loan cosigning requirements.